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Overview and Projections: International Trade and Texas Ports

Overview of Texas Ports

Texas is home to 27 ports along the Gulf Coast: 12 are deep-draft ports, and 15 are shallow-draft ports. Deep-draft ports accommodate oceangoing vessels, which are the main conduit of international trade in terms of tonnage hauled. According to the Texas Ports Association (TPA), Texas deep-draft ports handle over 50% of U.S. foreign imports and exports and 17% of total U.S. port tonnage (Source: <http://www.texasports.org/benefits/>). The ports of Beaumont, Corpus Christi, Freeport, Houston, and Texas City are ranked among the top-25 ports in the United States in terms of tonnage handled (Source: <http://www.texasports.org/benefits/>). Some 423 miles of intracoastal waterways connect these ports via barge transportation. Over 700 million tons of cargo is transported through these ports and channels each year (Source: <http://onlinemanuals.txdot.gov/txdotmanuals/mms/ports.htm#BGBICAIC>).

These international gateways account for more than 17 percent of Texas' gross state product (Source: http://tti.tamu.edu/groups/program.htm?p_org_code=RPW). Moreover, 16 of these ports are members of the TPA and account for the vast majority of the state's seaborne international trade. This trade includes crude oil, lumber and paper, steel, agricultural products, consumer goods, chemicals, containers, aggregate, automobiles, construction equipment, and strategic military cargo.

Value of Texas Trade for Selected Ports

Port Name	2008 Imports by Value (\$US)	2008 Exports by Value (\$US)
Beaumont	\$18,490,359,652	\$2,847,202,426
Brownsville	\$899,553,222	\$72,856,893
Corpus Christi	\$24,720,910,917	\$4,964,545,034
Freeport	\$13,795,886,954	\$1,989,339,755
Galveston	\$4,037,168,801	\$2,021,547,435
Houston	\$78,873,335,900	\$68,821,466,068
Orange	\$36,130	\$14,060,755
Comfort	\$992,145,733	\$243,787,159

Port Name	2008 Imports by Value (\$US)	2008 Exports by Value (\$US)
Port Arthur	\$14,907,522,110	\$2,444,784,981
Sabine Pass	\$35,094	\$95,541
Texas City	\$19,461,905,436	\$3,263,767,682

Source: World Port Source, http://www.worldportsource.com/ports/USA_TX.php

Top 5 Import-Export Countries

Port Name	Top 5 Countries By Import	Top 5 Countries by Export
Beaumont	1. Saudi Arabia, 2. Mexico, 3. Algeria, 4. Venezuela, 5. Angola	1. Mexico, 2. Iraq, 3. Venezuela, 4. Chile, 5. Nigeria
Brownsville	1. Netherlands, 2. Argentina, 3. Spain, 4. France, 5. China	1. Mexico, 2. Gibraltar, 3. Ecuador, 4. China, 5. Nigeria
Corpus Christi	1. Venezuela, 2. Nigeria, 3. Russia, 4. Algeria, 5. Kuwait	1. Mexico, 2. Nigeria, 3. Netherlands, 4. Gibraltar, 5. Chile
Freeport	1. Venezuela, 2. Algeria, 3. Angola, 4. Nigeria, 5. Brazil	1. Brazil, 2. Colombia, 3. South Korea, 4. Netherlands, 5. Costa Rica
Galveston	1. Saudi Arabia, 2. Japan, 3. Kuwait, 4. Germany, 5. Iraq	1. Iraq, 2. Brazil, 3. Mexico, 4. Australia, 5. Algeria
Houston	1. Mexico, 2. Saudi Arabia, 3. China, 4. Germany, 5. Venezuela	1. Mexico, 2. Brazil, 3. Netherlands, 4. Venezuela, 5. Belgium
Orange	1. Gabon	1. Mexico, 2. Indonesia, 3. Sri Lanka, 4. China, 5. Honduras

Port Name	Top 5 Countries By Import	Top 5 Countries by Export
Comfort	1. Mexico, 2. Trinidad and Tobago, 3. Taiwan, 4. Guinea, 5. Brazil	1. China, 2. South Korea, 3. Chile, 4. Japan, 5. Mexico
Port Arthur	1. Mexico, 2. Iraq, 3. Saudi Arabia, 4. Venezuela, 5. Colombia	1. Netherlands, 2. Brazil, 3. France, 4. Mexico, 5. Belgium
Sabine Pass	1. Japan	1. France, 2. Australia, 3. Venezuela
Texas City	1. Nigeria, 2. Mexico, 3. Venezuela, 4. Saudi Arabia, 5. Iraq	1. Mexico, 2. Netherlands, 3. China, 4. United Kingdom, 5. Panama

Source: World Port Source, http://www.worldportsource.com/ports/USA_TX.php

Further trade data, collected by STAT USA and the Foreign Trade Division of the U.S. Census Bureau, is available at <http://www.usatradeonline.gov/> for an annual subscription fee of \$300.00.

Key Organizations

The primary mission of the Texas Ports Association (TPA) is to advance and enable Texas ports to compete with those other states in order to boost the Texas economy. TPA attempts to develop policies and strategies that enable Texas ports to be more competitive and desirable for trade and commerce. The current President of the Association is Steve Cernak from the port of Galveston. His email is scernak@portofgalveston.com and his phone number is (409) 766-6105.

The American Association of Port Authorities (AAPA) is comprised of more than 160 public port authorities in the United States, Caribbean, and Latin America. Its purpose is to promote the interests of member ports and develop trade and seaborne transportation. Information is available via email to info@aapa-ports.org.

The Port Authority Advisory Committee was founded in 1997 to develop a forum for the exchange of ideas among representatives of the state's port industry and the Texas Department of Transportation. Its current members are Alec Dreyer (port of Houston), Eduardo Campirano (port of Brownsville), John Roby (port of Beaumont), John LaRue (port of Corpus Christi), A.J. Reixach, Jr. (port of Port Freeport), Gene Bouillion (port of Orange), and Michael Wilson Port Mansfield/Wallacy County Navigation District).

The Texas Transportation Institute's Center for Ports & Waterways was established by the Texas A&M University System due to the important role seaports play in the Texas economy. The Center examines opportunities for growth and expansion of trade coming to

the ports of Texas. It and has several research and development projects meant to promote technology transfer and implementation. For more information about current projects and research, contact Jim Kruse at j-kruse@ttimail.tamu.edu or by phone at (713) 686-2971. This center, in conjunction with TxDOT, has hosted an annual Texas Ports and Waterways Conference since 1996.

Projections 2008-2035

Expansion of the Panama Canal

The scheduled expansion of the Panama Canal, to be completed in 2014, will have a significant impact on the volume of cargo brought to Texas ports. The port of Houston, the Gulf Coast's largest container port, has already prepared for this anticipated growth in trade by virtue of the construction of its new Bayport Container Terminal. A detailed report on this subject was undertaken for TxDOT by Cambridge Systematics, a Boston-based consulting firm. The report strives to identify key bottlenecks in the state's highway and rail systems and to determine how those bottlenecks may be affected by the Panama Canal expansion. There is growing concern that unless rail improvements are implemented, Texas may squander this great opportunity for economic growth. A related study was undertaken by the Texas Rail Relocation and Improvement Association.

Expected Growth in Tonnage through the Panama Canal 2005 to 2025 (in Millions of Tons)

Market Segment	2005 Tons	Year 2025 Tons (With Expansion)
Containers	98	296
Dry Bulk	55	73
Liquid Bulk	34	28
Passenger	10	19
Car Carrier	36	58
Refrigerated Cargo	19	22
General Cargo	7	4
Other	20	8
Total	279	508

Source: Panama Canal Authority, 2006

Current Projects at Selected Texas Ports

Freeport

Wind energy equipment has grown to one of the port's leading imports; in 2008, the port handled 28,000 tons of wind energy equipment and the number of port calls by vessels carrying this equipment was expected to double from 21 to 42 in 2009. India's Suzlon

Energy is the 5th largest supplier of wind turbines and is a long-term customer of Freeport. The port is well-suited to handle the large-cargo shipments with 7,723 acres of undeveloped land, 14 operating berths, a 45-foot-deep harbor channel, and a 70-foot-deep berthing area. Future expansion projects include the construction of a 1,300 acre multi-modal facility, two multi-purpose 1,200-foot berths with 50-foot-deep water draft, and two 120,000-square-foot transit sheds. The port is nearing completion on the construction of a new berth which will allow the port to load/unload another one to two container ships a day, with expectations to accommodate 730 additional container ships annually. The port was recently given permission by the U.S. Army Corps of Engineers to widen the shipping channel. A \$37 million project has been undertaken to allow for two-way traffic and 1,000-foot-long vessels. This project is expected to be completed in 2011.

Galveston

Wind energy equipment is also boosting shipments to the port of Galveston. The Gulf Wind project has brought hundreds of wind turbines to this region.

Corpus Christi

In 2008, the port paved an additional 25 acres of land to accommodate wind turbines, military cargo, and cargo destined for nearby power plants. Another 20 acres were targeted for paving in 2009. The port recently experienced an expansion of business due to the opening of the Joe Fulton International Trade Corridor, which gave the port additional road and rail links, and access to over 2,000 acres of land for future development on the north side of the channel.

Houston

In 2008, general cargo through the port grew 20% over the previous year from 6.6 million tons to 8 million tons. This cargo consisted mainly of steel imports for the nearby oil and gas industries. Containerized cargo also rose 1% to 1,794,309 TEUs. The port of Houston receives calls from several container lines: Maersk Line, Mediterranean Shipping Company, Hapag-Lloyd, and CMA CGM. The port handles 69% of the Gulf region's containerized cargo, and the recent completion of the Bayport Container Terminal, a \$1.4 billion project, is expected to help handle additional growth associated with the expansion of the Panama Canal. The port is also experiencing growth in wind energy equipment imported from Europe, India, and Brazil.

Brownsville

Steel is the largest breakbulk commodity arriving at the port, the majority of which comes from Mexico, the port's biggest trading partner. About 75% of the steel goes to Mexico for additional processing, and about 25% is shipped back to Brownsville. In 2008, the port partnered with Port Manatee in Tampa Bay to promote containerized trade between Texas, Mexico, and Florida. This was accomplished by launching a new operation serviced by SeaBridge Freight.

Beaumont

The port is currently continuing its \$58 million capital improvement program. Some aspects of the program include a new \$5.3 million mobile crane, a 650-foot cargo wharf with new rail and road access along the Sabine-Neches Waterway, a \$5.4 million office building to serve as headquarters for the U.S. Surface Deployment and Distribution Command's 842nd Transportation Battalion, and a \$16 million rail storage yard expansion. The port continues to be a critical exporter of military supplies to U.S. troops stationed abroad.

Source: http://www.worldtrademag.com/Articles/Ocean/BNP_GUID_9-5-2006_A_10000000000000581752

Appendix 1: Major Goods Imported To Texas Ports

Port Name	Major Imports (Goods)
Beaumont	forest products, military cargo, steel
Brownsville	steel:slab, plate,beams, Iron ore
Calhoun	bauxite, liquid fertilizer, petrochemical feedstocks
Corpus Christi	crude oil, gas oil, fuel oil, bauxite ore, feed stock, naphtha, condensate, reformat, toulene, frozen beef, fresh fruits
Freeport	aggregate, chemcials, clothing, foods, plastics, paper goods
Galveston	containers, bananas, agricultural equipment, machinery, vehicles, fertilizer products, lumber products, military-related cargoes
Harlingen	gasoline, diesel, concrete sand, cement, fertilizer
Houston	petroleum and petroleum products, iron and steel, crude fertilizers and minerals, organic chemicals, wood
Orange	n/a
Palacios	n/a
Port Arthur	steel slabs, woodpulp, newsprint, lumber, oriented-strand board
Port Isabel	n/a
Port Mansfield	n/a
Texas City	crude oil
Victoria	liquid/dry bulk
West Calhoun	commercial seafood

Source: Texas Ports Association

Appendix 2: Major Goods Exported To Texas Ports

Port Name	Major Exports (Goods)
Beaumontbulk	grain, potash, forest Products, military cargo, project cargo
Brownsville	steel products, petroleum products, lubricants, grain
Calhoun	petrochemical products, alumina
Corpus Christi	fuel oil, gasoline, feed stock, diesel, alumina, petroleum coke, asphalt, coal
Freeport	autos, chemicals, clothing, foods, paper goods
Galveston	bulk grains, containers, machinery, vehicles, linerboard and paper, carbon black, light fuels
Harlingen	raw sugar, grain, cotton
Houston	petroleum and petroleum products, organic chemicals, cereals, plastics, animal or vegetables fats and oils
Orange	n/a
Palacios	n/a
Port Arthur	linerboard, plywood, steel pipe
Port Isabel	shrimp
Port Mansfield	n/a
Texas City	gasoline, diesel, jet fuel, intermediate chemicals, petroleum coke
Victoria	liquid/dry bulk
West Calhoun	petroleum coke/chemicals

Source: Texas Ports Association

Appendix 3: Contact Information for Ports in Texas

Port Name	Port Address (Address, City, Zip Code)	Phone	Port Director	Contact Email
<u>Beaumont</u>	P.O. Drawer 2297, Beaumont, 77704	409-835-5367	Chris Fisher	dcf@portofbeaumont.com
<u>Brownsville</u>	1000 Foust Road, Brownsville, 78521	956-831-4592	Eduardo Campirano	eacampirano@portofbrownsville.com
<u>Calhoun</u>	P.O. Box 397, Point Comfort 77978	361-987-2813	Charles Hausmann	crh@portofplpc.com
<u>Corpus Christi</u>	P.O. Box 1541, Corpus Christi 78403	361-882-5633	John LaRue	john@pocca.com
<u>Freeport</u>	P.O. Box 615, Freeport 77542-7110	979-233-2667	A.J. Reixach, Jr.	reixach@portfreeport.com
<u>Galveston</u>	P.O. Box 328, Galveston 77553	409-766-6103	Steve Cernak	scernak@portofgalveston.com
<u>Harlingen</u>	P.O. Box 2646, Harlingen 78551	956-423-0283	W.G. Palmer Jr.	porthgn@aol.com
<u>Houston</u>	P.O. Box 2562, Houston, 77252-2562	713-670-2453	Wade Battles	wbattles@poha.com
<u>Orange</u>	P.O. Box 2410, Orange, 77631-2410	409-883-4363	Gene Bouillion	gbouillion@portofoorange.com
<u>Palacios</u>	P.O. Box 551, Palacios 77465	361-972-5556	Debbie Morris	dmorris@portofpalacios.com
<u>Port Arthur</u>	P.O. Box 1428, Port Arthur, 77641	409-983-2011	Floyd Gaspard	sales@portofportarthur.com
<u>Port Isabel</u>	250 Industrial Drive, P ort Isabel 78578	956-943-7826 ext. 321	Bob Cornelison	pisbndrc@yahoo.com
<u>Port Mansfield</u>	400 W. Hidalgo, Suite 200, Raymondville, 78580	800-663-5707	Michael Wilson	wcndpm@granderiver.net
<u>Texas City</u>	2425 Highway 146 North, Texas City 77590	409-945-4461 ext. 10	Bill Mathis	bmathis@railporttc.com
<u>Victoria</u>	1934 FM 1432, Victoria 77905	361-570-8855	Tony Rigdon	tonyrigdon@portofvictoria.com
West Calhoun	6348 Highway 185 North, Long Mott, 77979	361-785-6492	Walter Pilgram Jr.	n/a

Source: Texas Ports Association